

STATES OF JERSEY



BUS SERVICES: PROPOSALS TO MAKE FREE OF CHARGE (P.52/2019) – SECOND AMENDMENT (P.52/2019 Amd.(2)) – AMENDMENT (P.52/2019 Amd.(2)Amd.) – COMMENTS

**Presented to the States on 17th June 2019
by the Minister for Infrastructure**

STATES GREFFE

COMMENTS

The proposed amendment ([P.52/2019 Amd.\(2\)Amd.](#)) to the second amendment ([P.52/2019 Amd.\(2\)](#)):

*BUS SERVICES: PROPOSALS TO MAKE FREE OF CHARGE (P.52/2019) –
SECOND AMENDMENT (P.52/2019 Amd.(2)) – AMENDMENT*

1 PAGE 2, PARAGRAPH 1 –

For the words “from the start of term in September 2019, without detriment to the general bus service, by increasing car parking charges by 10 pence per unit from July 2019, subject to annual review to provide for any investment required to accommodate inflation and anticipated passenger growth;”, substitute the words “from the start of term in May 2020, without detriment to the general bus service, by investigating, consulting upon and implementing a range of income-raising measures which provide sufficient funding for a range of sustainable transport initiatives and incentives, with particular reference to ‘the school run’, in conjunction with the introduction of free school buses;”.

2 PAGE 2, PARAGRAPH 2 –

For all the text in paragraph 2, substitute the following –

“For the words “from the earliest date practicable, subject to full funding being provided; and”, substitute the words “from the start of term in May 2020, without detriment to the general bus service, by investigating, consulting upon and implementing a range of income-raising measures which provide sufficient funding for a range of sustainable transport initiatives and incentives, in conjunction with the introduction of free bus travel for people under the age of 18 and people in full-time education”.”

Note: *After this amendment, P.52/2019 Amd.(2) would read as follows –*

1 PAGE 2, PARAGRAPH (a) –

For paragraph (a), substitute the following paragraph –

“(a) to ensure that school bus services can be used free of charge by school students from the start of term in May 2020, without detriment to the general bus service, by investigating, consulting upon and implementing a range of income-raising measures which provide sufficient funding for a range of sustainable transport initiatives and incentives, with particular reference to ‘the school run’, in conjunction with the introduction of free school buses;”.

2 PAGE 2, PARAGRAPH (b) –

For the words “from the earliest date practicable, subject to full funding being provided; and”, substitute the words “from the start of term in May 2020, without detriment to the general bus service, by investigating, consulting upon and implementing a range of income-raising measures

which provide sufficient funding for a range of sustainable transport initiatives and incentives, in conjunction with the introduction of free bus travel for people under the age of 18 and people in full-time education”.

3 PAGE 2, PARAGRAPH (c) –

After the words “for everyone in Jersey”, insert the words “, subject to full funding being provided”.

If [P.52/2019](#) were amended by the second amendment as amended, it would read as follows –

THE STATES are asked to decide whether they are of opinion –

to request the Minister for Infrastructure –

- (a) to ensure that school bus services can be used free of charge by school students from the start of term in May 2020, without detriment to the general bus service, by investigating, consulting upon and implementing a range of income-raising measures which provide sufficient funding for a range of sustainable transport initiatives and incentives, with particular reference to ‘the school run’, in conjunction with the introduction of free school buses;*
- (b) to bring forward a plan to enable all bus services to be free of charge to people under the age of 18 and people in full-time education from the start of term in May 2020, without detriment to the general bus service, by investigating, consulting upon and implementing a range of income-raising measures which provide sufficient funding for a range of sustainable transport initiatives and incentives, in conjunction with the introduction of free bus travel for people under the age of 18 and people in full-time education; and*
- (c) to prepare a plan by the end of 2020 for working towards and then enabling free bus transport for everyone in Jersey, subject to full funding being provided.*

The response from the Minister for Infrastructure to P.52/2019 Amd.(2)Amd.

The Minister for Infrastructure’s comments on the effect of P.52/2019 Amd.(2)Amd. on P.52/2019 Amd., and ultimately each paragraph of P.52/2019, are as follows:

- (a) to ensure that school bus services can be used free of charge by school students from the start of term in May 2020, without detriment to the general bus service, by investigating, consulting upon and implementing a range of income-raising measures which provide sufficient funding for a range of sustainable transport initiatives and incentives, with particular reference to ‘the school run’, in conjunction with the introduction of free school buses;**

As agreed by the States Assembly, [P.27/2019](#) – “Climate change emergency: actions to be taken by the Government of Jersey”, paragraph (b) makes the following provision –

“(b) *the Minister for the Environment is requested to carry out, as part of the process for drawing up the forthcoming Government Plan for 2020, an examination and assessment of more ambitious policies to accelerate carbon reduction, **to include an assessment of the use of fiscal levels to change behaviour** and raise awareness, and the output of this work will inform the review of the Energy Plan referred to in paragraph (a) above;*” **[Emphasis added]**

In conjunction with the Minister for the Environment, the Minister for Infrastructure leads the development of the ‘income-stream’ work for environmental measures to be included in the Government Plan 2020.

Within the timescales set out in the Connétable’s amendment to the second amendment for introducing free school bus services by May 2020, there would not be the time to introduce new environmental “*income-raising measures*” and raise the revenue required. Thus, at least for the interim, opportunities within existing income-raising streams would have to be considered.

The 2 income-raising measures that could potentially provide the £700,000 per annum (with effect from 2020¹) required to support free school buses are fuel duty and public parking charges. Either of these measures would individually, or in combination, contribute to changing behaviours “*to accelerate carbon reduction*”, as agreed on the adoption of [P.27/2019](#).

Thus, the Minister for Infrastructure would need to seek, through the Government Plan or otherwise, either to raise Fuel Duty by 2p/litre (£1 million per annum), or public parking charges by 10p per unit (£700,000 per annum), or some combination thereof.

(b) to bring forward a plan to enable all bus services to be free of charge to people under the age of 18 and people in full-time education from the start of term in May 2020, without detriment to the general bus service, by investigating, consulting upon and implementing a range of income-raising measures which provide sufficient funding for a range of sustainable transport initiatives and incentives, in conjunction with the introduction of free bus travel for people under the age of 18 and people in full-time education;

As set out in the Minister for Infrastructure’s Comments on P.52/2019 (*presented to the States on the same day as these Comments*), the cost and potential increase in demand is not known. This part of the proposal impacts upon the main network of public bus services, as well as the school bus network, spreading the uplift in demand to evenings, weekends and school holidays. It also potentially creates a difficulty in requiring the bus driver to accurately determine which passengers are entitled to the free fare if they are not obliged to present some form of proof of age.

¹ This amount would grow with time and growth of student journeys.

Many of these journeys are likely to be discretionary or for paid employment, and there is a question of fairness as to whether the cost should be borne by the Public, in addition to the undermining of the contractual ethos previously set out.

However, the logic set out in the Minister's response to paragraph (a) would continue to apply. Thus to avoid a "*detriment*" to the bus service, further increases in either fuel duty (in excess of 2p/litre) or parking charges (in excess of 10p per unit), or combination thereof, would need to be sought.

(c) to prepare a plan by the end of 2020 for working towards and then enabling free bus transport for everyone in Jersey, subject to full funding being provided.

Free bus services throughout Jersey imply a different quantum of public investment altogether, and would certainly increase the amount required from the present £4.5 million to over £10 million in the first year of such a policy. Indications from other zero-fare experiments, such as Hasselt in Belgium, suggest that the annual costs, in 2019 prices, could be in the region of £25 million within a decade, and as a measure alone, without necessarily resulting in significant reduction in traffic.

The Minister is not supportive of committing to free bus transport throughout Jersey. To do so would risk destroying the commercial principles of the Bus Operating Contract that have made it so successful, adversely affecting the service quality which has taken so many years to achieve its current level, bringing with it spiralling costs year after year for which no funding has been identified, which cannot be prioritised above Jersey's many other competing needs, and which potentially gives rise to other unintended consequences such as congestion at bus-stops.

The Minister does not agree that there is a pressing need to remove bus fares and does not believe it is high on the agenda of most members of the Public. The Minister does, however, believe that there would be significant opposition to the increases in taxation that would be required to fund this sort of proposal, particularly from those who live in sparse rural areas that currently receive no bus service at all. There is little point in funding a free public transport network if large numbers of taxpayers consider that they cannot use it.

Accepting this provision would undo what has been one of the most successful contractual arrangements for the provision of service buses in the UK, literally turning the clock back for Jersey.

Ministerial recommendation

As set out with my comments on paragraph (a) of the amendment to the second amendment.

Due to the additional flexibility in funding arrangements provided by the deferred May 2020 start-date for free school bus services, allowing both parking charges and fuel duty increases to be utilised for funding through the 2020 Government Plan rather than parking in isolation, and the provision that any funding measure should be 'without detriment to the general bus service', the Minister would recommend the Assembly accept this amendment to the second amendment.

Financial and manpower implications

To fund free school services without “*detriment*”

The Minister for Infrastructure would need to seek, through the Government Plan, or otherwise, to either raise fuel duty by 2p/litre (£1 million per annum), or raise public parking charges by 10p per unit (£700,000 per annum), or some combination thereof.

To fund free bus travel for people under the age of 18 without “*detriment*”

The Minister for Infrastructure would need to seek, through the Government Plan, or otherwise, further increases in either fuel duty (in excess of 2p/litre), or parking charges (in excess of 10p per unit), or a combination thereof would need to be sought.

At this time the cost potential increase in demand is not known.

Free buses for everyone in Jersey

Free bus services throughout Jersey imply a different quantum of public investment altogether, and would certainly increase the amount required from the present £4.5 million to over £10 million in the first year of such a policy. Indications from other zero-fare experiments such as Hasselt in Belgium suggest that the annual costs, in 2019 prices, could be in the region of £25 million within a decade.

The amendment in full also significantly underestimates the time and resources required to research, consult upon, and bring forward new policy.